

HAM IS UNDER SHARP FIRE AT PEPCO HEARING

Vice President Holds His Own
In Tilt With Syme and
Commissioners.

W. R. & E.'S HISTORY TRACED

Witness Explains Transactions
Which Led to Formation
of Company.

The propriety of charging certain accounts to operating expenses in Congressional reports for ratemaking purposes and then suggesting their inclusion as cost of equipment and construction in valuation proceedings, was the opening thrust of Corporation Counsel Conrad Syme in beginning the cross-examination of Vice President W. F. Ham, of the Potomac Electric Power Company, before the Public Utilities Commission today.

The grilling of Mr. Ham started in earnest today, the Corporation Counsel and the members of the commission taking turns in firing questions at the witness, who has been put forward by the company as its chief accounting expert. From the beginning of the hearing until its end Mr. Ham was subjected to a ceaseless fire of sharp interrogation. The witness never once lost his composure and was ready at all times with an answer.

Best Witness for Company.

It is the consensus of opinion that Mr. Ham is the best witness for the power company that has occupied the stand during the six months the hearing has been in progress.

The history of the various transactions which led to the formation of the present Washington Railway and Electric Company was made subject of exhaustive questions.

The statements elicited from the witness included development of these facts:

That the entire holdings of the street railway and electric power plants now owned by the Washington Railway and Electric Company were purchased at a court sale of the property for the sum of \$5,000,000 in Norfolk, Va., in 1902.

That most of the transactions involving the sale of stock for the acquisition of company holdings made necessary by the various organizations were not cash, but were stock transactions pure and simple, and that little cash has appeared in any of them.

Clash Between Attorneys.

That the Potomac Electric Power Company for years reported to Congress, for purposes of rate making, certain items as charged to operating expenses which Mr. Ham believes should be taken into consideration by the utilities commission in rate making as part of the cost of equipment and construction.

That in most of the accounts of the various companies up to the time of the formation of the Potomac Electric (Continued on Eleventh Page.)

WEATHER MAN BLUNDERS

Heavy Rain Instead of Fair Skies
Promised by Bureau.

Instead of the fair weather predicted for Washington today by the Weather Bureau, the District experienced another heavy rainfall this morning.

The failure of the weather to run true to form, it was said by the forecaster, was due to a portion of the storm that hung over Virginia and the Carolinas yesterday, remaining longer than was expected and the moving northward to this section.

The weather for tonight will be cloudy and slightly colder, according to today's forecast. Tomorrow will be fair, but the mercury is expected to drop.

TO IMPORT 25,000 CHINESE

Hawaiians Will Ask Congress to
Lift Bars.

HONOLULU, Dec. 28.—Permission for the entry into Hawaiian territory of 25,000 Chinese immigrants will be asked of Congress by Farm Corn, a wealthy businessman of this city, and J. H. Hinde, a business man, who leaves here shortly for Washington, it was announced today.

They will ask for the introduction and passage of a bill permitting the immigration.

The plan is backed by Chinese societies and Chinese business men here, who said encouraging letters had been received from Congressman John L. Burnett of the House Committee on Immigration and Naturalization, and Congressman James L. Sladen of Texas.

"ASSISTED THE ENEMY"

This is Germany's Explanation for
Sinking Norwegian Steamship.

BERLIN (via Sayville wire), Dec. 28.—The Norwegian steamship Deito was sunk by the German naval authorities because she was "assisting the enemy in a way contrary to neutrality," Germany explained in a special statement to American Ambassador Gerard today.

CALLS ENVOY HOME.

PARIS, Dec. 28.—Juan Sanchez Azcona, Mexican minister to France and Spain, will sail for the United States on the steamer Alfonso XIII, having been called home by his government.

SPENDS \$5,000,000 TO SAVE MEN'S LIVES

U. S. Steel Corporation Cuts
Accidents Among Workers
45 Per Cent.

NEW YORK, Dec. 28.—The United States Steel Corporation has spent five and one half million dollars on the science of humanity, cutting down accidents 45.84 per cent and saving 14,987 men, Charles L. Close today told scientists who are in session here.

"The thing we are doing has been known too long as welfare work," Close said, "and it is time it had recognition as a science. This work of humanizing the world of industry for workers is as much of a science and as much of a necessity to industry in the United States as is chemistry or mathematics."

"It is a double-barreled science. It brings results in men and financial profits. The time has come when every employer of men has to employ a scientist to make the most out of life for his employees, that the employer may get the most out of his men."

WILSON 60 TODAY, BUT DOESN'T LOOK IT

President's Outdoor Activities
Give Him Youthful
Appearance.

President Wilson is sixty years old today. From a "close-up" view he looks at least ten years younger. A side view of the Chief Executive as he stepped almost jauntily through the corridor leading from the White House to his offices gave him the appearance of a man about half his three score.

According to Dr. Cary T. Grayson, the President's private physician, President Wilson never was in better health. Plenty of outdoor exercise is what has kept him fit, Dr. Grayson says.

Scores of Telegrams.

Scores of letters and telegrams were received at the White House today congratulating the President on his birthday.

Among the congratulatory messages were cablegrams from European emperors and kings, but the texts of these messages are withheld from publication.

President Wilson celebrated his birthday by taking a complete rest. He gave word that no official engagements were to be made for the day. The President with Mrs. Wilson and the holiday White House guests had a family luncheon, and planned a quiet family dinner tonight with no guests except members of the immediate families.

Health Greatly Improves.

A deluge of rain prevented his usual game of golf with Mrs. Wilson, and he spent the forenoon quietly with hope of an automobile ride this afternoon.

Three years ago the President was reported from time to time as being in a bad physical condition. He continually suffered from colds, which held on tenaciously. Walking and golfing have driven away his predisposition to colds and added weight gives him the appearance of perfect health.

SLUMP IN MARRIAGES

Cupid Fails to Keep Up Pace He
Started Friday.

There was a decided slump in the Washington "marriage market" today. The movement which set in early Friday morning and caused Col. William A. Kroll and Col. W. F. Belev to spend overtime issuing licenses to wed, suffered a severe reversal of form, either because of the rain or other causes unknown.

Fifty-four couples obtained licenses on Tuesday, twenty-seven were given permits to journey to the altar yesterday, and today, well, to use the words of Cupid's chief aid, Colonel Kroll, "the love spell is over for a while."

"How long will it remain dormant?" the colonel was asked.

"You can never tell how, when or why love is or will be," he philosophically replied.

CONVENTIONS ANNOUNCED

Mates and Pilots Association, Also
Pattern Makers, to Meet Here.

Announcements of two conventions to be held in Washington in 1917 are made in this January number of the American Federationist, official organ of the American Federation of Labor issued today.

February 19 Washington will be the gathering place of delegates of the American Association of Master Mates and Pilots.

In June, the Pattern Makers' caucus will hold its convention here.

OZAMA WEATHERS GALE

Lost Clyde Line Steamer Safe in
Block Island Harbor.

BOSTON, Dec. 28.—Coast guard officials received word just before noon today that the lost Clyde Line steamer Ozama, Portland, an 8,000-ton vessel, is safe in Block Island harbor.

The day after the vessel left Portland the coast was swept by a terrific gale, and it had been feared she was lost.

The Ozama was built on the great lakes for coastwise trade.

WAR LOAN INCREASES.

LONDON, Dec. 28.—Russian war loan subscriptions have increased considerably since publication of peace notes. Petrograd dispatches via the Wireless Press announced today. All co-operative societies have subscribed 25 per cent of their capital.

MEXICAN ENVOY WITHDRAWN BY GEN. CARRANZA

Due to Failure to Send Fletcher
to Mexico, Says
Embassy.

LUIS CABRERA IN CAPITAL

Impression Prevails Carranza's
Answer Is Not a Flat
Rejection.

Eliseo Arraondo, Mexican ambassador-designate to the United States, has been recalled from his post by General Carranza. He will leave Washington some time today or tomorrow.

Ramon P. Megri, Mexican consul general at San Francisco has been designated by Carranza to serve as charge d'affaires of the embassy, pending the appointment of a new ambassador.

According to authoritative information the action was taken by Carranza entirely apart from the situation created by Carranza's unwillingness to sign the border protocol, and was due to the persistent failure of the United States to accept the credentials of Arraondo as a full-fledged ambassador and to send Henry P. Fletcher, who was designated a year ago as ambassador to Mexico, to Mexico City.

The Mexican embassy issued a denial of the story that Mr. Arraondo was leaving because of the protocol deadlock. It is not understood, however, that the denial was intended to dispute the fact, admitted at the State Department that Mr. Arraondo will leave.

Cabrera Brings Answer.

The development served today to emphasize the growing seriousness of the relations between the two governments. Luis Cabrera, chairman of the Mexican section of the joint commission, is in the city today, presumably for the purpose of presenting Carranza's reply to the request of the commission that he approve the protocol.

Mr. Secretary of the Interior Lane, chairman of the American section of the commission, has waited all day to hear from Mr. Cabrera, but up to 1 o'clock the latter had not called. Moreover, Mr. Cabrera denied himself to all callers.

The impression prevails in Mexican embassy circles that the reply is not a flat rejection of the protocol, but discloses an effort on the part of Carranza to keep the negotiations going without agreeing to the main features of the proposed agreement.

Administration Disturbed.

The Administration is greatly disturbed by recent events, but it had hoped to receive a conciliatory note from Carranza in reply to the demands which the American commissioners made to the Mexican commission two weeks ago.

They are satisfied that Carranza has decided to rebuff this Government by making some political play against the United States with the hope of offsetting the loss of prestige which he is sustaining almost daily in the northern section of the country through the activities of Villa.

That some political play may serve Carranza, at least among the few followers he has gathered around him in Mexico City, is accepted by those familiar with the workings of the Mexican mind. They appear to believe he is convinced that President Wilson's patience is nearly exhausted, and that he may again rally Mexicans about him by insulting the "Gringo."

Soon after Carranza was recognized as president of Mexico, he was appointed ambassador designate. In that capacity he has received great consideration.

(Continued on Tenth Page.)

READY TO CUT OUT "PORK"

Wilson to Veto Three Bills Unless
First Pruned.

The so-called "pork barrel" ripples—the public buildings, flood reclamation, and rivers and harbors bills—are due for a cold reception if they are left on the White House doorstep, it was learned today. Owing to the tremendous needs for revenue during the next fiscal year the President and Secretary of the Treasury McAdoo are determined, it is declared, to prune the "pork barrel" measures to the limit. If they are passed in their present form and sent to the White House for approval it is declared the President will veto them.

It is probable the Administration's view on these measures will be explained in some form if the expected fight in Congress over them threatens to tie up legislative action.

The President himself let it be known today that he is opposed to the public building bill as it now stands.

GAS PLANT BLOWS UP HOTEL

Five Believed Killed, Many Injured.

MT. HOLLY, N. J., Dec. 28.—An acetylene plant in the cellar of the Madison Hotel exploded at 11:30 o'clock today, blowing the building to atoms. There were twenty-eight persons in the hotel at the time, twenty-three have been rescued; the other five believed to have been killed. The President himself let it be known today that he is opposed to the public building bill as it now stands.

ADMINISTRATION FEARS BREAK WITH BERLIN OVER U-BOAT WAR IF PEACE PLANS FALL THROUGH

SIXTY MILLION MADE BY LEAK

Thomas W. Lawson So Alleges
in Telegram to Congress-
man Wood.

PREDICTS BIGGER CLEAN-UP

Declares Sums Will Be "Hogs-
headed" This Week Running
Into Billions.

More than \$60,000,000 was made in Wall Street by those having advance information on President Wilson's peace note, according to a telegram from Thomas W. Lawson received today by Congressman Wood of Indiana, who introduced in the House the resolution for a probe of the "leak."

It was a piping hot telegram that Lawson wired from New York. In it he disclosed he can be found without difficulty if either Mr. Wood or Chairman Henry, of the Rules Committee wants him.

"Toss Postcard Out."

"Toss a postcard from any window in the Capitol," Lawson tells Mr. Wood, and it will reach its destination.

In Lawsonesque language, the telegram admonishes Mr. Wood to look out for a still bigger leak this week in which the sums "hogheaded" will run into billions.

Further, he declares that if Congress thought answer was to be a real investigation of the leak, there wouldn't be a quorum in either house and bank accounts would be shifted as in the "good old sugar investigation days."

Text of Telegram.

The telegram follows:

Just read today's New York papers. You and Chairman Henry unable to locate me, really! Framed over my desk is an envelope inscribed "To Thomas W. Lawson," no other address. To settle a wager it was mailed in an interior town in China, and landed in my Boston office in record short time. If you and Chairman Henry wish to communicate with me, toss a post card from any window in the Capitol addressed "Thomas W. Lawson" or "T. W. L., Boston," and you will receive answer by return mail.

Take a tip from one who played the big Washington Wall Street game and the big international publicity game long before you were old enough to distinguish between a stock exchange and a Congressional hall—pend less effort on last week's and more on this week's leak, which is liable to inundate both Wall Street and Washington.

There were only sixty-odd millions hog-headed from last week's; this week's may run into billions. And this tip, too, is meant in the best of spirit—if it was actually believed in Washington there was to be a real investigation of last week's leak.

(Continued on Tenth Page.)

THIEVES TAKE HOLIDAY

Sudden Slump in Number of House-
breaking Cases.

Are Washington's petty thieves too busy making Christmas calls to ply their trade, or have they merely declared a holiday recess?

Police men are asking each other these questions following a sudden slump in the number of robberies and housebreaking cases during the last few days.

Mrs. Samuel Pearson reported her home, at 541 Twenty-first street northwest, entered some time yesterday through a front door, which was unlocked, and \$44 stolen. Of the amount stolen \$34 belonged to Miss Laura Reeves.

Mrs. Samuel Ullman told the police \$21.50 disappeared from a bureau drawer at her home, 5727 Colorado avenue northwest, yesterday.

Eugene T. Lyddane, 1423 Wisconsin avenue northwest, reported his home ransacked last night, but nothing was missing.

SWEDEN DID NOT ACT

Scandinavian Country Denies Inter-
vening for Peace.

LONDON, Dec. 28.—The Swedish foreign office has denied it took any action looking toward peace in Europe, according to an exchange telegraph today.

Reports were circulated yesterday in London that Sweden had sent a note to Germany, expressing its approval of the peace suggestions made by President Wilson, and joining with Switzerland in its desire for peace.

VIRGINIAN, WOUNDED.

OTTAWA, Ontario, Dec. 28.—Lieutenant Bynum, who is serving overseas with the Canadian Mounted Rifles, and whose home is in Richmond, Va., is reported wounded in the overnight casualty list.

GERMAN TERMS MODIFIED?

NEW YORK, Dec. 28.—The New York World, which is generally credited with being in the confidence of the Administration, today prints the following dispatch from its Washington correspondent:

"There is good reason for believing that President Wilson knows in a general way the terms on which Germany will make peace. It is known that the President has been in close touch with Ambassador Gerard at Berlin and Page at London. It is regarded as certain that the tenor of the terms has come into the President's hands. No official confirmation, however, can be obtained.

"The substance of the German demands has been in the hands of Count von Bernstorff for several days. They cover the propositions advanced when the German peace proposal first was published.

"It is said today that these approximately are the concessions Germany is willing to make:

"The restoration of Belgium, geographically and economically. This includes payment for all damages to persons and property. It carries an admission that the raid on Belgium was illegal, but made absolutely essential through military necessity.

"The complete evacuation of France.

"The evacuation of Russian territory now held by the German armies. It is understood Germany will abandon the demand for an independent kingdom of Poland and Lithuania if antagonism proves too great.

"These only indicate the possible concessions Germany is ready to make.

In return Germany would insist:

"That all her allies retain what they possessed at the beginning of the war.

"That her colonies be restored.

"These indicated terms represent a material modification from those originally promulgated in German circles here.

"MISSING LINK" AT SAVANTS' MEETING

"Ape Man of Java" Restored
and Brought to New
York.

NEW YORK, Dec. 28.—From the jungles of Java, which was his home some 500,000 years ago, Pithecanthropus Erectus, the original "missing link," came to New York today and made his bow to scientists.

J. H. McGregor made the presentation speech, before the American Association for the Advancement of Science, exhibiting the old P. E. in a "restored form"—the only "restored" P. E. in existence, he said.

All that remains of the original "Ape Man of Java" is a skull and jaw bone. The skull reveals an almost human height of 5 feet, and the jaw bone nearly approaches that of the human race, thus doing the jaw of anything in the monkey or ape family.

Java Ape Walked Erect.

Other signs show this early inhabitant of Java walked erect—hence the E of his initials.

McGregor has built, from a plaster cast, an awe-inspiring figure. This he says is an exact replica of our Darwinian ancestor.

To keep Pithecanthropus company, McGregor has brought along restored skulls of "Homo Neanderthal" and "Cro-magnon," who were almost contemporaries of P. E., but who lived in Europe at a time when its map would never have been recognized by the modern school boy student of geography.

Judge Impulses Electrically.

In the psychology division of the convention today, scientists are seeing some startling new machine tests. Among the scientific demonstrations is an electric apparatus for judging impulses. The inventor claims that by the use of his invention one can tell what his patient will do next. There is also a sort of magic mirror by which mentalities are measured.

LONDON ENVELOPED IN FOG

Surface Traffic Stopped and Pedes-
trians Use Lights.

LONDON, Dec. 28.—One of the thickest fogs of recent years enveloped London, disorganizing traffic and causing great inconvenience. Owing to the restrictions with regard to the lighting of the city the somber pall at nightfall brought spruce traffic to a complete standstill. The omnibuses stopped running, taxicabs disappeared from the streets and the people moved about with the aid of torchlights and electric flashlights.

The underground railways were not affected, and were the only means of transportation. They, however, were soon choked by the enormous crowds, with the result that numerous stations had to be closed until the crush was relieved in order to prevent accidents.

Steam railway traffic to and from London was halted from points as far away as Birmingham, which was also enveloped.

The fog here at frequent intervals was dull gray, murky yellow, and black.

Officials Say Wilson Sent Note
Because of Impending
Crisis With Germany.

VIOLATED PLEDGES SEEN

End of Diplomatic Relations
Called Necessary Unless
Hostilities Stop Soon.

CASE OF ARABIA IS CITED

Sinking Described as Flagrant
Breach of Promise Made
by the Wilhelmstrasse.

Strong intimations were given today to the Times that if the peace negotiations collapse, as is now feared, and Germany does not quickly come forward with a satisfactory explanation of recent submarine incidents, diplomatic relations between the United States and Germany will be severed.

These intimations were given by high officials of the State Department, whose information heretofore has been unflinchingly accurate.

It had been suggested previously, of course, that President Wilson's apprehensions concerning the course which German submarine tactics have been taking recently was the principal impulse which caused him to make his sudden and spectacular move for peace in Europe.

Definite Hint.

In the first of the two contradictory explanations given on December 21 by Secretary Lansing concerning the President's peace note—that in which the Secretary stated that the United States was approaching the "verge of war"—a somewhat more definite hint was given of what was behind the American peace proposals.

Today, information obtained from high quarters makes it certain that President Wilson feels that unless peace is brought about, or unless Germany once and for all abandons her submarine tactics, there is no course left to this Government but to sever diplomatic relations. To do this, he is said to realize, would be to make his warning to Germany in the Sussex note last April ridiculous.

Warning in Sussex Note.

In that communication the American Government said:

"If it is still the purpose of the imperial government to prosecute relentless and indiscriminate warfare against vessels of commerce by the use of submarines, without regard to what the Government of the United States must consider the sacred and indisputable rules of international law and the universally recognized dictates of humanity, the Government of the United States is at last forced to the conclusion that there is but one course it can pursue.

Unless the imperial government should now immediately declare and effect an abandonment of its present methods of submarine warfare against passenger and freight carrying vessels, the Government of the United States can have no choice but to sever diplomatic relations with the German Empire altogether. This action the Government of the United States contemplates with the greatest reluctance, but feels constrained to take in behalf of humanity and the rights of neutral nations.

Chummy Justification.

Although in response to that note the German government declared, and promised to effect, an abandonment of the tactics complained of, State Department officials declared today that there is no question that, from a careful examination of all the circumstances in connection with the recent submarine cases, and particularly the Arabic case, the German government has not only failed to effect an abandonment, but seeks in clumsy fashion to justify its failure.

"In these circumstances," declared one high official of the department today, "it would be absurd for the United States to proceed with another exchange of formal notes. There would seem to be but one course open; namely, the carrying out of the threat in the Sussex note, unless Germany promptly, and of her own accord, repudiates the recent attack he is finally convinced by the replies of the entente governments to his peace note, that peace is out of the question now, nor until reasonable time has been given for Germany to come forward with her own solution in an attempt to explain away the submarine incidents.

Principal Topic.

It is believed that this matter formed the principal topic of discussion yesterday afternoon at the conference between the President and Secretary of State Lansing.

According to the belief entertained in the quarters from which today's information was obtained, the President will do nothing until he is fully convinced by the replies of the entente governments to his peace note, that peace is out of the question now, nor until reasonable time has been given for Germany to come forward with her own solution in an attempt to explain away the submarine incidents.

At Present the Berlin Government

has before it the latest information

FALLS; INJURES HEAD.

Hiram Green, forty-two years old, is at Casualty Hospital with a wound on the back of his head received when he fell in his room in the Dorchester apartment house, Twelfth street and Maryland avenue southwest, last night.

PROBE FIRING ON

MEXICAN BORDER

Kentucky Guardsmen Ex-
changed Shots With Snip-
ers Across Rio Grande.

EL PASO, Tex., Dec. 28.—Because of conflicting reports of the affair, an investigation is under way into the outpost skirmish early today between Mexican snipers and a patrol of the Third Kentucky National Guard, during which more than 300 shots were fired across the Rio Grande by the guardsmen, after a fusillade of shots from the Mexican side.

The entire city and the militia camps were aroused by the sound of heavy firing shortly before 1 a. m. Regular army officers in the vicinity at the time declare they heard no shots from the Mexican side, while others and officers of the guard on the patrol state that scattered firing continued several minutes from the other bank.

Capt. E. W. Clark, in command of Company L, Third Kentucky, on patrol duty above the Union Station, stated that the first shots were fired at the patrol under Lieutenant Hale. The guardsmen dropped to the ground and opened fire at the spot where they saw flashes. Another detachment ran up and joined in the volleys, shooting at the flashes of the Mexicans' rifles.

So far as known there have been no casualties. Residents on the boulevard, a mile from the scene of the shooting, reported bullet holes in their houses.

United States authorities have made a demand upon the Carranza military commander at Juarez to ascertain whether any of his men were stationed at the point where the shooting occurred or took part in the skirmish.